

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7447

BILL NUMBER: HB 1555

NOTE PREPARED: Jan 12, 2009

BILL AMENDED:

SUBJECT: Coal bed methane property.

FIRST AUTHOR: Rep. Battles

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___GENERAL
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Requires the natural resources commission to: (1) regulate coal bed methane wells; (2) establish alternative spacing, unit, and bonding requirements for coal bed methane wells and coal mine methane wells; and (3) adopt rules to regulate coal bed methane production. Redefines a commercially minable coal resource for purposes of oil and gas drilling statutes, and allows an owner or lessee of coal to file an affidavit identifying a commercially minable coal resource. Provides for regulation of coal bed methane wells and other gas wells in a similar manner. Adjusts notice requirements with respect to logging on oil and gas land. Allows an owner or operator of a coal mine to burn by flares coal bed methane under certain circumstances. Provides for the establishment of an estate in land with respect to coal bed methane comparable to an estate that may be established under current law with respect to oil and gas. Limits the exercise of rights in certain circumstances under a coal bed methane estate if the exercise affects miner safety or coal resources. Establishes relative rights between a coal estate in land and a coal bed methane estate in land. Provides that certain oil and gas statutes do not apply to methane ventilation governed under an approved federal Mine Safety and Health Administration coal mine ventilation plan. Requires the division of oil and gas to post on its web site each oil, gas, or coal bed methane permit application. Prohibits the division from issuing a permit less than 14 days after the posting.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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